SOCIETE GENERALE
Private Banking

SOLYS
EUROPE EVOLUTION

Article 10 (SFDR)
Website disclosure for an Article 8 fund

SG29 Haussmann

March 2023

This document includes information relating to environmental and social characteristics of financial products, and sustainable investments, in accordance with article 10 of the Sustainable Finance Disclosure Regulation (SFDR)[1].

PRODUCT NAME: SOLYS EUROPE EVOLUTION Legal entity identifier: 549300YEFHBUWMJ73G02	
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ It will make a minimum of **sustainable investments with a social objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, **it will have a minimum proportion of 10% of sustainable investments** ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

A. SUMMARY

The Sub-Fund SOLYS – Europe Evolution (the "Sub-Fund") is an active UCITS. The Investment objective of the Sub-Fund is to outperform the Benchmark Index (as defined hereafter) over a long-term horizon by exploiting investment opportunities on the equity markets, while providing a fixed stream of distributions. The Sub-Fund seeks to achieve its objective by investing in:

- a diversified basket of transferable securities (the "Basket"), including mainly fixed or variable debt instruments issued or guaranteed by sovereign states of the Euro Zone with a rating at least equal to that of France and shares or units of UCITS or other UCIs,

and, or,

- in an OTC Derivative (the "Swap") the purpose of which is to reach its investment objective by exchanging the investment proceeds against the value of the Portfolio (as defined hereafter). The Sub-Fund promotes environmental or social characteristics but will not make any sustainable investments. At least 90% of the Sub-Fund investments promote environmental and social characteristics. The Sub-Fund will do at least 10% of the sustainable investments within the meaning of SFDR. These investments could be aligned with the EU Taxonomy but the Investment Manager is not currently in a position to specify the exact proportion of the product's underlying investments which take into account the EU criteria for environmentally sustainable economic activities.

To identify the positive contribution to an environmental and/or social objective, the Investment Manager implements the framework of the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 with a target date for delivery of 2030 and the European Taxonomy.

In order that investment would be considered as sustainable, it must be aligned to at least one SDG without being misaligned to any other SDG, while respecting all the principles of Investment manager's ESG policy.

The Sub-Fund promotes environmental and social characteristics through its integration of extra-financial criteria in the investment process and by exclusions of certain sectors or activities, that do not respect certain norms or values. The environmental and/or social characteristics promoted by the Sub-Fund are based on an approach combining fundamental financial analysis and extra-financial analysis through the consideration of ESG criteria (Environment, Social, Governance).

The Investment Manager addresses ESG factors throughout the investment process, including research, company engagement and portfolio construction. The Investment Manager incorporates i) an exclusion policy completed by ii) an ESG Integration policy.

Depending on the sector of activity and geographical presence, every issuer is exposed to different material extra-financial risks. Our key ESG analysis looks at the capacity of management of the issuer to manage its principal material risks and opportunities arising from environmental issues (such as carbon emissions, water stress), social aspects (such as work safety, staff rotation), or governance practices (board and accounting). For the purpose of evaluation of ESG risk management of issuers, the Sub-Fund uses data provider MSCI and its ESG ratings. The Sub-Fund does not invest in the issuers evaluated as laggards, with the ratings CCC. And in addition, the issuers that were part of the 20% worst ESG-scores were excluded.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the sub-fund.

B. NO SUSTAINABLE INVESTMENT OBJECTIVE

This sub-fund promotes environmental or social characteristics but will not make any sustainable investments.

How does this financial product take into account principal adverse impacts[2] on sustainability factors?

The PAIs are taken into account throughout the investment process: through the exclusion policy (sectoral and normative), the ESG integration policy and performance indicators (ESG ratings, ESG controversies score).

The Sub-Fund considers the PAIs detailed in the table below.

	PAI	Measurement criteria	Engage-ment	Exclu-sion	Comment
1	Greenhouse Gas Emissions	Scope 1 GHG emissions	X	X	- Thermal Coal Sector Policy - Unconventional oil & gaz sector policy - Net Zero Asset Managers Signatory
		Scope 2 GHG emissions	X	X	
		Scope 3 GHG emissions	X	X	
		Total GHG emissions			
2	Carbon footprint	Carbon footprint	X	X	
3	GHG intensity of investee companies	GHG intensity of investee companies	X	X	
4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	X	X	
5	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources			
6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector			
7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	X	X	- Deforestation exclusion policy : Palm oil exclusion policy

[2] Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

8	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average			
9	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average			
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		X	- Controversies exclusion filter
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			
12	Unadjusted gender pay gap	Average unadjusted gender pays gap of investee companies			
13	Board gender diversity	Average ratio of female to male board members in investee companies			
14	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons		X	- Exclusions related to controversial arms

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In accordance with the Société Générale Group's "Defence" sector policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, companies involved in activities related to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons) are excluded from the Sub-Fund's investment universe.

In addition, and in accordance with the Management Company's investment policy, companies with a very severe controversy rating (red) according to the MSCI nomenclature are excluded from the investment universe. These exclusions guarantee full compliance with the OECD guidelines for multinational enterprises and the United Nations guidelines on business and human rights.

The Controversy Rating is notably a warning measure of the reputational and operational risks to which companies are exposed. A very serious controversy can potentially result in heavy financial penalties. All of these indicators are monitored periodically.

C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

What are the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics through its integration of extra-financial criteria in the investment process and by exclusions of certain sectors or activities, that do not respect certain norms or values.

The environmental and/or social characteristics promoted by the Sub-Fund are based on an approach combining fundamental financial analysis and extra-financial analysis through the consideration of ESG criteria (Environment, Social, Governance).

The Investment Manager addresses ESG factors throughout the investment process, including research, company engagement and portfolio construction. The Investment Manager incorporates i) an exclusion policy completed by ii) an ESG Integration policy.

Depending on the sector of activity and geographical presence, every issuer is exposed to different material extra-financial risks. Our key ESG analysis looks at the capacity of management of the issuer to manage its principal material risks and opportunities arising from environmental issues (such as carbon emissions, water stress), social aspects (such as work safety, staff rotation), or governance practices (board and accounting). For the purpose of evaluation of ESG risk management of issuers, the Sub-Fund uses data provider MSCI and its ESG ratings. The Sub-Fund did not invest in the issuers evaluated as laggards, with the ratings CCC. And in addition, the issuers that were part of the 20% worst ESG-scores were excluded.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the sub-fund.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A

D. INVESTMENT STRATEGY

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

Equities composing the Portfolio will be selected by a proprietary methodology designed by the Management Company (the "Methodology") which relies on a financial analysis combined with a non-financial analysis that ranks the instruments of the Investment Universe based on a combination of ESG (Environmental, Social, Governance) criteria.

Within the Investment Universe, equities composing the Portfolio will be selected primarily according to their ESG rating, based on a best-in-universe approach. In order to do so, equities of the Investment Universe will be ranked using MSCI ESG rating methodology which identifies ESG material risks and opportunities for each industry through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. For more information on MSCI ESG rating methodology, please refer to: http://www.msci.com.

The Methodology will retain the equities with the highest ESG rating, by excluding at least 20% of the equities comprising the Investment Universe with the lowest ESG rating. More than 90% of the equities composing the Portfolio do benefit from an ESG rating.

Using equities selected through this ESG screening process, and a financial analysis applied by the Management Company, the Portfolio will be predominantly risk-based equally weighted (Equal Risk Contribution). The Management Company retains discretion to deviate from such Methodology on an exceptional basis.

Environmental and/or social characteristics promoted by the Sub-Fund are met through the selection of equities based on their ESG rating (as described above).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The sub-fund applies at all times the binding elements of the investment strategy described below:

a) Sector exclusions

In accordance with the Societe Generale group's Defense Sector Policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, companies involved in activities related to weapons prohibited or controversial (anti-personnel mines, cluster bombs, depleted uranium weapons), are excluded from the investment universe of the sub-fund.

In accordance with the Societe Generale Group's "thermal coal" sector policy, companies whose turnover is more than 10% linked to the extraction of thermal coal are excluded from the investment universe, as well as companies active in the energy sector and more than 30% of whose electricity production comes from coal.

In accordance with the Societe Generale Group's "tobacco" sector policy, tobacco-producing companies are excluded from the investment universe.
The Management Company excludes from the investment universe producers and distributors (i.e. mills, traders and refiners) of palm oil from the first euro of turnover on this activity, with the exception of palm oil producers. palm oil certified by the Roundtable on Sustainable Palm Oil, RSPO (Roundtable Sustainable Palm Oil) with a certification level of 70% minimum and with a commitment to be at 100% before 2030.

In accordance with the Societe Generale Group's "unconventional oil and gas" sector policy, the Management Company excludes from the investment universe companies whose turnover is more than 10% related to exploration and the production of oil sands, oil or gas produced in the Arctic, or shale oil or gas.

In addition, and with regard to the investment policy of the Management Company, companies whose controversy rating is very severe (red) according to the MSCI nomenclature are excluded from the investment universe. The controversy rating is in particular a warning measure of the reputational and operational risks to which companies are exposed when they directly or indirectly contravene the 10 main principles of the United Nations Global Compact in terms of human rights, international standards of labour, environment and anti-corruption. A very severe controversy can potentially result in heavy financial penalties.

b) ESG integration:

The integration of ESG criteria aims to select stocks on the basis of their extra-financial behavior and in particular their ability to transform sustainable development issues into performance vectors.

That means, only companies whose ESG rating is greater than or equal to B on a scale from AAA to CCC (CCC being the worst) in the MSCI nomenclature, are eligible for the investment universe.

Based on this filtered universe, the manager selects securities by combining the "Best-in-Universe" approach.

For each company, the ESG rating methodology aims to assess the main key factors on each of the 3 ESG pillars by taking in account both universal issues and specific issues that may have a financial impact on the performance of the company.
The analysis of each ESG pillar is based on the consideration of universal issues:

- Environment: carbon emissions, water stress, etc.
- Social: health, safety, etc.
- Governance: anti-competitive practices, remuneration, shareholding...

and issues specific to the different sectors of activity (waste management, renewable energy, vulnerability to climate change, chemical safety, access to healthcare, access to finance, instability of the financial system, etc.).
Each issue is considered from two main angles: the risks their represent for the company's activity but also the development opportunities that their take in account can bring.
The weight of each pillar in the final ESG score varies according to the sector of activity in which each company operates.
Beyond the integration of the ratings assigned by MSCI, the manager has access to the extra-financial research of brokers and in particular that of SG-CIB. They broaden their sources of information by relying on specialized publications (public reports, social and environmental responsibility reports, etc.), and on their meetings with companies.

<u>Limit of the Methodology:</u>

The approach to SRI analysis of issuers implemented by the management company is based on a qualitative analysis of their environmental, social and governance practices. However, several limitations to this approach can be identified. Some limits are linked to the management company's methodology, but others are also more broadly linked to the quality of the information available on these subjects. The

analysis is based largely on qualitative and quantitative data generated by the MSCI methodology and is therefore dependent on the quality of this information. Although constantly improving, companies' ESG reporting is still patchy and heterogeneous. The investment process of SG 29 Haussmann aims to select companies according to a dual approach that is rigorous but likely to induce sectoral biases. The "Best-in-Class" approach leads to the selection of the best-rated companies in its sector of activity. Based on a subjective and evolving analysis over time of ESG criteria. The investment process also follows a "Best-Effort" approach to stock selection, i.e. it selects companies that are in the process of improving their ESG practices. It is thus possible that some issuers do not show sufficient progress compared to expectations, which could lead to a reduction in their ESG rating and consequently to the sale of the portfolio security if the minimum required ESG rating is no longer achieved. Regarding the monitoring of controversies, it remains an evaluation exercise where the best means are implemented to exclude from the investment universe companies that are controversial or at risk of controversy, a risk nevertheless likely to persist given the impossibility prevent all controversies in an exhaustive manner.
The environmental and/or social characteristics promoted by the sub-fund are respected through the implementation of the SRI investment strategy described above.

What is the policy to assess good governance practices of the investee companies?

N/A

Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)?

☒ Yes

☐ No

The Investment Manager incorporates an exclusion policy completed by an ESG Integration policy. This two-fold SRI approach will lead to exclude at least 20% of the initial investment universe.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

E. PROPORTION OF INVESTMENTS

What is the planned asset allocation for this financial product?

The sub-fund has a variable economic exposure (via derivatives) to an equity portfolio and, 90% the equities composing the portfolio are ESG scored (#1 Aligned with E/S characteristics”). As the sub-fund is synthetic, in case of swap counterparty default the sub-fund is exposed to government bonds as collateral.

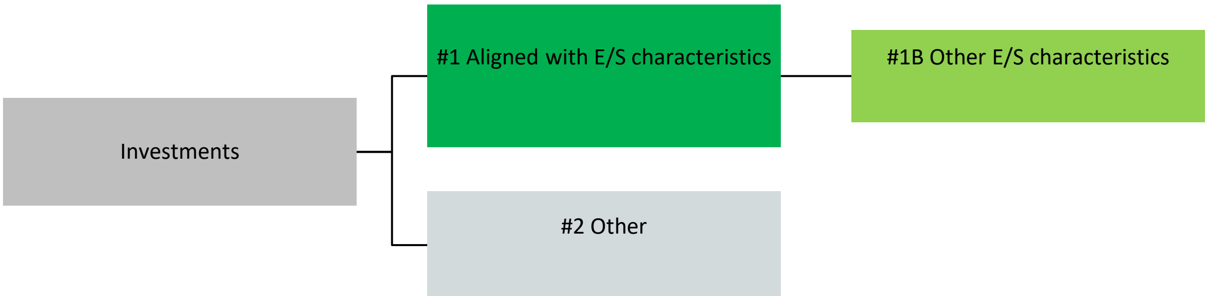
Consequently, as a result of such variable exposure, at least 50% of the Fund’s net assets are subject to an ESG analysis or rating by the Management company, under normal market circumstances.

The Management Company considers as sustainable any investment in a company having a net positive contribution to the SDGs adopted by the United Nations and/or which contributes to the following environmental objectives as set out in Article 9 of the Taxonomy Regulation, for as long as this investment does not cause material prejudice to any of these objectives (according to the approach described in question 1 above) and that the companies receiving the investments apply good governance practices.

The Management Company relies on MSCI data and methodology to measure companies' alignment with the SDGs.

The sub-fund is not authorized to invest in non-ESG rated companies, outside of securities issued by public or quasi-public issuers, cash and cash equivalents

The “#2 other” assets may consist of investments in liquidity, capital instruments or debt, derivatives and collective investment undertakings that do not promote environmental or social characteristics and that are used to achieve the financial objective of the sub-fund and/or for diversification and/or hedging purposes.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)?

N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of sustainable investments with a social objective?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" assets may consist of investments in liquidity, capital instruments or debt, derivatives and collective investment undertakings that do not promote environmental or social characteristics and that are used to achieve the financial objective of the sub-fund and/or for diversification and/or hedging purposes. No minimum environmental or social safeguards will be in place in relation to such assets.

F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics through its integration of extra-financial criteria in the investment process and by exclusions of certain sectors or activities, that do not respect certain norms or values.

- **ESG rating:** The Methodology will retain the equities with the highest ESG rating, by excluding at least 20% of the equities comprising the Investment Universe with the lowest ESG rating. More than 90% of the equities composing the Portfolio do benefit from an ESG rating.
- **Very Severe Controversy:** The Sub-Fund promotes the respect of certain norms and values, by excluding companies with very severe level of social or environmental controversies or involved in controversial weapons
- **Controversial Activities:** For some other controversial activities, such as tobacco, coal or defense, the Sub-Fund applies maximum revenue percentage thresholds.
- **Concerns about respect of Human Rights:** social aspects (such as work safety, staff rotation), or governance practices (board and accounting).

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

Monitoring by SG29H risk management

The risk department of the management company monitors the overall financial and non-financial parameters of the portfolio.

The non-financial part (ESG) is monitored on a monthly basis:

- Check that no controversy Red Flag is present in the portfolio
- Check that no MSCI CCC and B ratings is present in the portfolio
- Activity and Sector exclusions check.

If the position does not pass one of these controls, the risk department alerts the portfolio management team, which processes to the divestment process as described below. The Portfolio management team will also take into consideration the liquidity of the issue and the market conditions.

G. METHODOLOGIES

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

All the binding elements and sustainability indicators are measured on a monthly basis by SG29H risk management team. If the values are in line with the objectives (indicators at 0% or above pre-defined thresholds), the environmental and social characteristics promoted of the sub-fund will be considered as attained.

H. DATA SOURCES AND PROCESSING

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The management company has established a number of partnerships to access non-financial research:

- The Sub-Fund's ESG analysis relies on external data providers (MSCI, Bloomberg)
- Services of a proxy voting advisor (ISS) for research on company governance (as part of SG29H's Engagement and Voting Policy).
- SG29H uses the Carbon database provided by MSCI.

The management team also has multiple sources of external ESG information (brokers' extra-financial research).

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I. LIMITATIONS TO METHODOLOGIES AND DATA

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The investment process is based on qualitative and quantitative research based solely on the raw data published by companies. Thus, a first limit consists in the reliability of the published data based on credibility and the audit of non-financial reports of companies.

In addition, the Sub-Fund's ESG methodology is a proprietary and transparent methodology but is not based on any international standards. For this reason, maximum transparency on all the indicators used in the calculations is mandatory and an integral part of the management process. As regards the monitoring of controversies, it remains an evaluation exercise in which the best means are put in place to exclude from management companies that are controversial or at risk of controversy. Nevertheless, a limit lies in the impossibility of preventing all controversies and thus displaying a zero risk on this point.

J. DUE DILIGENCE

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

The risk department of the management company monitors the overall financial and non-financial parameters of the portfolio.

The non-financial part (ESG) is monitored monthly:

- Check that no controversy Red Flag is present in the portfolio
- Check that no MSCI CCC and B ratings is present in the portfolio
- Activity and Sector exclusions check.

If the position does not pass one of these controls, the risk department alerts the portfolio management team, which processes to the divestment process as described below. The Portfolio management team will also take into consideration the liquidity of the issue and the market conditions.

K. ENGAGEMENT POLICIES

Is engagement part of the environmental or social investment strategy?

☐ Yes

☒ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

N/A

L. REFERENCE BENCHMARK

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

❐ Yes

☒ No

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